



June 21, 2006

The Honorable J. Dennis Hastert  
Speaker of the House  
U.S. House of Representatives  
235 Cannon House Office Building  
Washington, D.C. 20515

Dear Mr. Speaker:

AARP is concerned over the widening stream of data breach reports emanating from the private and governmental sectors. At present, few tools are available to law-abiding individuals to prevent, limit or recover from such breaches. We applaud Congress for wrestling with this serious issue. However, the bills that have been reported out of Committee to date fall short in providing essential protections needed by consumers. A number of States have stepped in and enacted measures that can serve as models for federal action. If there is to be federal preemption, legislation must incorporate the best of those protections.

Specifically, missing from current legislation in the House is a feasible and affordable consumer option for reducing the threat of identity theft that can be caused by breaches of personal financial records. That tool is a security freeze (often referred to as the credit report freeze), and several states have already acted to provide it to all residents. We urge you to oppose any federal legislation – such as HR 3997 -- that does not provide for a consumer credit report freeze option for all consumers.

We understand that discussions are now underway that seek to reconcile differences among bills already reported by the House Financial Services, Commerce and Judiciary Committees. As you engage in this effort, we seek your support for two additional core consumer protections:

- Effective threshold requirements for triggering notification of those affected by database breaches (e.g., a "reasonable risk" standard for identify theft); and
- An application of these protections to government as well as to the private sector (with national security requirements preserved).

The recent breach of Veterans Administration data, exposing some 26 million individuals to the potential for harm from identity theft, demonstrates the scope and significance of the problem consumers face. This problem cries out for swift resolution, but it is important to get this right as more breaches are likely to occur in both the public and private sectors. As this legislation advances, we urge you to consider the vulnerability and practical limitations of ordinary people – particularly those who are older.

We would welcome the opportunity to be of assistance to you and your staff. For more information regarding any of our policy views or recommendations, please do not hesitate to contact me or have your staff contact Roy Green of our Federal Affairs staff at: (202) 434-3800.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill", written in a cursive, stylized script.

William D. Novelli  
Chief Executive Officer